



DAVID SANDERS, PH.D.
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
425 Shatto Place – Los Angeles, California 90020
(213) 351-5602

July 26, 2005

Board of Supervisors

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TO: Supervisor Gloria Molina, Chair
Supervisor Michael D. Antonovich, Chair Pro Tem
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: David Sanders, Ph.D. 
Director

APRIL 26, 2005 BOARD AGENDA ITEM # 22: REFUGIO PARA NIÑOS MONTHLY REPORT

As the Department of Children and Family Services (DCFS) has been charged with providing monthly reports of Refugio Foster Family Agency (Refugio) to the Board, the following summarizes the monitoring visit conducted by DCFS, Out-of-Home Care Management Division (OHCMD), and fiscal reports from the Auditor-Controller and DCFS Fiscal Monitoring and Special Payments Section, which outline the activities for July 2005.

FISCAL ISSUES

The June 2005 monthly report noted that the DCFS Fiscal Monitoring and Special Payments Section reported that Refugio submitted an untimely monthly expenditure report for the month of May 2005 and in the incorrect format. As a result of this issue, the OHCMD requested a Corrective Action Plan (CAP) from Refugio as noted below:

- Refugio is to submit timely monthly expenditure reports, on the correct fiscal expenditure form, to DCFS' Fiscal Monitoring and Special Payments Section by the 15th of each month. The monthly expenditure report shall include the name of the person responsible for the timely submission of the report.

The CAP was hand delivered on July 7, 2005 during the site visit by the OHCMD monitor to Refugio's Interim CEO, Tomás Fernández. Refugio submitted a CAP response on July 8, 2005 addressing the above-mentioned issue. The CAP was approved on July 15, 2005. A copy of the CAP is attached to this report (Attachment I).

The Department received the Auditor-Controller's (A-C) Monthly Evaluation report of Refugio dated July 20, 2005. The report indicated that Refugio continues to be "overall" in compliance with the requirements contained in the CAP.

The A-C's report further indicates that Refugio discontinued the practice of expending foster care funds for fundraising activities and the Multicultural Counseling Services. Additionally, Refugio is complying with making payments in accordance with its repayment agreement with DCFS. Furthermore, the A-C's report noted that Refugio's CEO salary is reasonable for an agency of Refugio's size, based on the 2003 CWLA Salary Study. A copy of the A-C's report is attached (Attachment II).

DCFS' Fiscal Monitoring and Special Payments Section's review of the Foster Family Agency Semi-Annual Revenue and Expenditure Summary (Summary) reports, for the months of May and June 2005, revealed that the salary of the Refugio's Clinical Director was under-reported in the May report. However, the salary was correctly stated in the June 2005 report. In addition, the payroll titles included on the Summary form document do not necessarily correspond to Refugio's payroll titles, which has created some confusion. For example, there is no line item for a Clinical Director on the Summary. As a result, Refugio reported the salary of its Clinical Director on the line item for an Assistant Director. Refugio was apparently unaware that they could modify the Summary to more closely reflect their operations. Refugio should adapt the Expenditure Categories reflected on the Summary and submit revised and updated Summaries for May and June 2005 using the revised format.

The DCFS' Fiscal Monitoring and Special Payments Section's report (Attachment III) and Refugio's monthly expenditure report (Attachment IV) are attached for review.

DCFS MONITORING VISITS

The OHCMD monitor assigned to Refugio conducted a site visit on July 7, 2005. The scope of the monitoring included a meeting with Refugio's Interim Chief Executive Officer (CEO) and Chief Financial Officer (CFO). As Refugio has historically been programmatically compliant with prior contracts and the A-C is reviewing the fiscal matters, the monitoring visit focused more on safety issues that relate to performance and the structure of their Board of Directors.

SAFETY

Refugio has a total of 130 certified foster homes where 299 children are currently placed.

DCSF researched Out-of-Home Care Management Division's I-track database to query for Child Protection Hotline (CPHL) referrals and Special Incident Reports (SIR) from June 12, 2005 to July 15, 2005. There were no CPHL referrals during this reporting period.

Refugio FFA has been reporting special incidents in accordance with the reporting requirements as stipulated in the contract, Section 10.0, Program Reporting Requirements. During our review, we noted there were nine SIRs received:

- One SIR indicated that a child fell down on the floor, as he was jumping up and down, resulting in the child breaking his leg. The foster parents acted appropriately as they called 911. Refugio reported the incident in a timely manner, it was appropriately handled, and it did not require a referral to the CPHL.
- The second SIR indicated that a child had a bruise on the left eyelid. The incident took place while the child was on a weekend visit with his aunt. The foster parents acted appropriately as they took the child to the doctor. Refugio reported the incident in a timely manner, it was appropriately handled, and it did not require a referral to the CPHL.
- The third SIR involved a child who fell off the bed and sustained a small cut to his lip and a bloody nose. The foster parents were advised to buy a rail for the child's bed. Refugio reported the incident in a timely manner, it was appropriately handled, and it did not require a referral to the CPHL.
- The fourth SIR involved a child who tripped and fell, while playing near a fireplace, and sustained a scratch on his face. Refugio advised the foster mother to take the child to the doctor. Refugio reported the incident in a timely manner, it was appropriately handled, and it did not require a referral to the CPHL.
- The fifth SIR involved a child who scraped his toe against a board while playing in the backyard. The foster parents acted appropriately as they reported the incident in a timely manner, it was appropriately handled, and it did not require a referral to the CPHL.
- The sixth SIR involved two children who were found by the FFA Social Worker to be without adult supervision. The children reported that they have been left alone several times. The FFA Social Worker reported the incident to Community Care Licensing and the CPHL. However, the CPHL did not take a referral. Nonetheless, given the circumstances of this SIR, the OHCMD requested a Corrective Action Plan to include the re-training of the certified foster mother in the area of appropriate supervision of children. Refugio reported that the foster mother was re-trained on July 9, 2005.

- The seventh SIR involved a teenager who had bullets in her handbag. The foster parents acted appropriately as they called the local police department. The officer who responded recommended disposal of the bullets. Refugio's Social Worker turned the bullets over to the local police department. The child refused to disclose how or from whom she obtained the bullets. The child was removed from Refugio by her DCFS Children's Social Worker following the incident. Refugio reported the incident in a timely manner, it was appropriately handled, and it did not require a referral to the CPHL.
- The eighth SIR involved a child who ran away from placement. Refugio reported the incident in a timely manner, it was appropriately handled, and it did not require a referral to the CPHL.
- The ninth SIR involved a child whose hair was trimmed by the foster mother's granddaughter while in respite care. This is a violation of the child's personal rights, as the child's parents must give permission for the child's hair to be cut. Refugio acted properly by conferring with the foster mother and her granddaughter with regard to the incident. They were told that the home would be subject to de-certification should they be involved in a similar incident in the future.

During the site visit on July 7, 2005, the OHCMD did not review children's files, because there had been a fire in the building where the files are maintained and it was under going extensive repair.

Based upon our current review, and taking into consideration Refugio's capacity, it is not uncommon that the kinds of incidents reported take place. However, Refugio is acting properly by reporting the incidents in a timely manner. Additionally, Refugio is cooperating with the Out-of-Home Care Management Division by re-training foster parents when it is deemed necessary. As there were no CPHL referrals, no trends of abuse/neglect were noted.

BOARD STRUCTURE

Refugio's CAP requires that the agency's Board of Directors consist of seven members at all times.

- During the July 7, 2005 site visit to Refugio, the Interim CEO reported that Refugio's Board has six members. However, the CEO stated that the Board has received and is reviewing the resume of two applicants for consideration as Board members. When Refugio submitted the list of current Board Members, it reflected that a seventh member was elected. The CEO reported that Refugio intends to have eight members on its Board. Therefore, Refugio complied with the CAP (Exhibit U) to have seven Board Members on board. A list with the names of Refugio's current Board Members is attached to the report (Attachment V).

- As reported in the May 2005 and June 2005 reports, Refugio contracted with Harrington Group to conduct the OMB Circular training of its Board, in accordance with Exhibit U. The first session took place on May 31, 2005, and the second on June 14, 2005. As the entire training consists of four, two-hour sessions, Refugio reported that the other two sessions took place on June 28, 2005 and July 12, 2005. Therefore, Refugio is complying with the CAP (Exhibit U) by providing training to the Board Members in regard to OMB Circular Training. During the site visit on July 7, 2005, the Interim CEO stated that those Board Members that have not been fully trained soon would be. Copies of the sign-in logs for the last two sessions provided are attached to the report (Attachment VI).
- Refugio held a Board meeting on June 14, 2005. A review of the Board meeting minutes for this date reflected that the Board reviewed SIRs as required per Title 22, Foster Family Agencies Regulations, Section 88063(8). This was a recommendation to the Interim CEO during the site visit on June 13, 2005. The meeting minutes also indicate that an investigation binder will be created, where incident reports and investigations will be filed, and brought to every board meeting. A copy of the Board meeting minutes is attached (Attachment VII).

CONCLUSION

Given the information provided, it appears that Refugio is complying with the requirements of its CAP. Although Refugio is cooperating with the A-C and DCFS, the alternative plan of action remains the same as follows, if needed:

Alternative Plan of Action

- Every effort will be made to maintain the children with the same foster parents to avoid placement disruption.
- CSWs who have children placed with Refugio will be instructed to make immediate and regular visits of the children in the Refugio foster homes. If the children's safety is in question, the CSWs will take appropriate action that may include replacing the children.
- The Refugio foster parents will be informed immediately by telephone and letter of the pending termination of the contract with Refugio and the County's plan to review various options with them regarding their ability to continue care of DCFS children placed with them.
- In collaboration with Community Care Licensing (CCL), a meeting will be scheduled immediately with all foster parents where they will be informed of their options to associate themselves with another Foster Family Agency or become licensed foster parents with the State.

Each Supervisor

July 26, 2005

Page 6 of 6

- The foster parents will be told to continue to utilize the services of their Agency social worker. If they are not receiving the services from Refugio and/or if safety situations arise, they will be instructed to contact the child's CSW immediately.
- During this entire process, DCFS will be working closely with CCL to consider various options, such as certifying foster parents pending licensure or certification, in the event the contract with Refugio requires immediate termination.

If you have any questions please call me, or your staff may contact Helen Berberian, Board Relations Manager at (213) 351-5530.

DS:LP:ES

EH:dv

Attachments

c: Chief Administrative Officer
County Counsel
Board of Supervisors Executive Officer

ATTACHMENT I

DAVID SANDERS, PH.D.
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
425 Shatto Place -- Los Angeles, California 90020
(213) 351-5802

Board of Supervisors

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Fifth District

July 6, 2005

Tomás Fernández, Interim Executive Director
Refugio Para Niños Foster Family Agency
100 N. Citrus, Suite 230
West Covina, Ca. 91791

**CORRECTIVE ACTION PLAN, SUBMISSION OF TIMELY MONTHLY EXPENDITURE
REPORT**

Dear Mr. Fernández:

It has come to our attention that the June 2005 monthly expenditure report that Refugio FFA submits to the Department of Children and Family Services (DCFS) on the 15th of each month was not submitted on time, but, on June 23, 2005 instead. In fact, a DCFS Fiscal Contract Monitoring staff called the agency's Chief Financial Officer, Roland Navarro in order to obtain a copy of the report. Additionally, the monthly expenditure report was not submitted in the appropriate form, which was used in the previous contract.

We are requesting that you submit a Corrective Action Plan (CAP) addressing these issues:

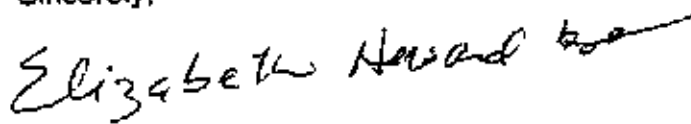
- timely submission of Refugio's monthly expenditure report to the Fiscal Contract Monitoring Section by the 15th of each month,
- the name of the person responsible for the timely submission of the report,
- and the appropriate fiscal expenditure form.

Page 2

The CAP should be submitted by July 27, 2005 to Elizabeth A. Howard, CSA III, Out-of-Home Care Management Division, 9320 Telstar Avenue, Room 216, El Monte, Ca. 91731.

If you have any questions, please contact me at (626) 569-6804.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Howard". The signature is written in dark ink and includes a stylized flourish at the end.

Elizabeth A. Howard, CSA III
Out-of-Home Care Management Division

c: Cecilia Reza, Manager
Sue Harper, Fiscal Contract Monitoring

REFUGIO PARA NIÑOS

Foster Family Agency

July 8, 2005

Elizabeth Howard, CSA III
Out-Of-Home Care Management Division
Department of Children and Family Services
9320 Telstar Ave. Room 216
El Monte, CA 91731

CAP RECEIVED ON JULY 9, 2005,
REVIEWED / APPROVED, T. N. S. DARIO
Dario Villamarin, CSA III
Dario Villamarin

RE: Corrective Action Plan, submission of timely Monthly Expenditure Report.

Dear Ms. Howard:

Refugio Para Niños Corrective Action Plan is as follows:

1. The agency will submit the monthly Expenditure Report to the Fiscal Contract Monitoring Section before or by the 15th of each month.
2. The person responsible for the timely submission of the report is Roland Navarro (CFO).
3. The report will be submitted on the appropriate fiscal expenditure form.

If you have any questions, please contact me at (626) 858-8687.

Sincerely,


Tomas Fernandez
Executive Director

Cc: Cecilia Reza, Manager
Sue Harper, Fiscal Contract Monitoring
Dario Villamarin, Auditor



ATTACHMENT II **COUNTY OF LOS ANGELES** **DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH KAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
PHONE: (213) 974-8301 FAX: (213) 626-5427

July 20, 2005

TO: David Sanders, Ph.D., Director
Department of Children and Family Services

FROM: J. Tyler McCauley *[Signature]*
Auditor-Controller

**SUBJECT: MONTHLY EVALUATION OF REFUGIO PARA NIÑOS' COMPLIANCE
WITH ITS CORRECTIVE ACTION PLAN - 2nd STATUS REPORT**

At its April 26, 2005 meeting, the Board of Supervisors directed the Department of Children and Family Services (DCFS), in consultation with the Auditor-Controller to report back to the Board on a monthly basis regarding Refugio Para Niños' (Refugio) compliance with its Corrective Action Plan (CAP). The CAP is part of the contract between the County and Refugio which was signed on April 28, 2005.

Overall, Refugio continues to be in compliance with the CAP's requirements. The following is our second monthly report to your Department and primarily addresses Refugio's activities for June 2005.

Recovery of Questioned Expenditures

Review of Fundraising Expenditures

We reviewed Refugio's June 2005 accounting records and noted no instances of the Agency expending FFA funds for fundraising activities or on the Multicultural Counseling Center (MCC).

Conclusion: Refugio continues to comply with its CAP requirement and has discontinued the practice of expending foster care funds for fundraising activities and the MCC.

"To Enrich Lives Through Effective and Caring Service"

Date	7/20	Page	1
From	J. Tyler McCauley	To	David Sanders
Subject	Monthly Evaluation of Refugio Para Niños' Compliance with its Corrective Action Plan - 2 nd Status Report	File #	213-1109
Post-It Fax Note	7671	Co Dept	DCFS
To	U2 H000000	Phone #	(213) 974-8301
From	U2 H000000	Fax #	(213) 626-5427

David Sanders, Ph.D.
July 20, 2005
Page 2

Timeliness of Repayment

Under the terms of repayment agreement, Refugio will repay \$6,505 per month to DCFS beginning June 10, 2005, and continuing on the 10th of each month until the questioned expenditures are fully repaid.

Refugio is making the required monthly payments either on, or ahead of schedule. As indicated in our first status report, Refugio made its June and July 2005 payments on June 2, 2005. Refugio subsequently made its August payment on July 6th.

Conclusion: Refugio is continuing to make its payments in accordance with its repayment agreement with DCFS.

Source of Funds

Refugio is not permitted to use current period foster care funds to make payments required under its repayment agreement. All payments thus far, have been made from Refugio's Business Money Market Account. We reviewed bank records related to this account and verified that no current period FFA funds have been deposited into this account.

Conclusion: Refugio continues to comply with the requirements of its CAP and has not used current period foster care funds to make payments required under the Agency's repayment agreement.

Education of Refugio's Board of Directors and Personnel

Training of Board Members and Personnel

Refugio continues to provide training to its Board and personnel. The third and fourth scheduled training sessions addressing the Auditor-Controller Contract Accounting and Administration Handbook (Handbook) and Internal Control Systems took place June 28th and July 12th, respectively. These sessions, along with the meeting of the Board of Directors that followed, were attended by a representative of the Department of Auditor-Controller. We found these training sessions to be adequate.

Refugio has now met the requirement of its CAP to provide training to its Board of Directors and personnel on the provisions of the Office of Management and Budget Circular A-122 and the Handbook. As changes in Board membership and key personnel occur, we will continue to ensure that incoming Board members and personnel also receive the training required under the CAP.

Conclusion: Refugio has fully complied with the requirement of its CAP concerning training of members of its Board of Directors and personnel.

David Sanders, Ph.D.
July 20, 2005
Page 3

Structure of Refugio's Board of Directors

Composition of the Board

Refugio's CAP requires that the Agency's Board of Directors consist of at least seven individuals at all times, none of whom are interested parties, or employees of Refugio.

We reported in our first status report that the membership of Refugio's Board had fallen to six members. Refugio offered Board memberships to two individuals, and one of these individuals was unanimously elected to the Board at the July 12th Board meeting. Refugio has indicated that it intends to ultimately have eight Board members.

Based on a limited background inquiry, Refugio's newest Board member is not an interested party as defined in the California Corporations Code, or a current/former employee of Refugio.

Conclusion: Refugio continues to comply with the requirements of its CAP regarding Board membership.

Excessive Compensation

Employee Salaries and Pension Benefits

In our last report, we reported that Refugio had not yet hired a permanent Chief Executive Officer (CEO). The Interim CEO is paid \$109,416 annually, which is reasonable for an agency of Refugio's size. The amount contributed to the Interim CEO's deferred annuity pension plan are below the "mean" contribution level in the 2003 CWLA Salary Study. While Refugio's Board has initiated a search for a replacement for the Interim CEO, a permanent CEO has not yet been selected. We will continue to monitor and report on Refugio's compliance with this requirement.

Conclusion: Refugio continues to comply with the requirements of its CAP related to the CEO's salary and employee benefits.

If you have any questions, please contact me, or have your staff contact Mike McWatters at (626) 293-1109.

JTM:JS:MWM:AF

c: Audit Committee

Department of Children and Family Services

Ed Sosa, Chief, Out of Home Care Management Division

Sue Harper, Administrative Services Manager III, Fiscal Monitoring & Special Payments Unit

ATTACHMENT III

**FISCAL MONITORING & SPECIAL PAYMENTS SECTION
ACCOUNTING DIVISION
BUREAU OF FINANCE**

July 14, 2005

TO: Joan Smith, Deputy Director Ed Jewik, Chief
Bureau of Finance Finance Division

FROM: Sue Harper, ASM III
Fiscal Monitoring & Special Payments Section

FISCAL MONITORING'S ROLE IN REFUGIO MONITORING

My section's role in the monitoring of Refugio is to receive the Monthly Expenditure Reports from Refugio by the 15th of each month for the previous month. We immediately review the report any relay any issues we identify to the Auditor-Controller and to Ed Sosa by the 17th of the month.

For example, we received the June 2005 Expenditure Report from Refugio on July 11, 2005. Upon reviewing the report, Renee found that the salary for the Assistant Director had been increased from \$4,218 in May 2005 to \$6,150 in June 2005. In addition, there also appeared to be discrepancies in the "Other Administrative Salaries" category.

Renee contacted the Auditor-Controller to request that they investigate the salaries for the Assistant Director and those included in the Other Administrative Salaries category. She also requested that they check to ensure that the qualifications of the staff were in line with the position they held. The Auditor-Controller informed her that according to the documents they received, the salaries recorded in June 2005 were the correct salaries and the salaries on the May 2005 Monthly Expenditure Report were incorrect. The Auditor-Controller instructed Refugio to submit a revised copy of the May 2005 report. We have not received the revised report, however the agency's accountant informed Renee that he would submit the revised May 2005 Report to us today.

In regard to the qualifications of the staff, the A-C informed us that they handle only the fiscal matters and that the DCFS Quality Assurance Division should investigate the qualifications. We contacted Liz Howard (Quality Assurance) to request the investigation of the salaries and qualifications of the staff. We provided her with the May and June 2005 Expenditure Reports. As soon as we receive the revised May 2005 report we will forward a copy to her.

If you have any questions or need further information, please call me at 626-858-1402 or Renee Hanna at 626-858-1482.

SKH:RH:sh

c: Ed Sosa
Liz Howard
Renee Hanna

ATTACHMENT IV

EXHIBIT E

DEPARTMENT OF CHILDREN AND FAMILY SERVICES FOSTER FAMILY AGENCY SEMI-ANNUAL REVENUE AND EXPENDITURE SUMMARY

Agency Name : REFUGIO PARA NINO

Report Period: June 2005

Agency Address: 100 N. Citrus St. Suite 205, West Covina, CA 91791 - 1614

Contact Person: Tomas Fernandez - CEO

Phone: (626) 858-8684

A. REVENUES:

Sources	(4) Total for Months	(5) Year-to-Date
1. AFDC-FC FFA Revenues	\$ 429,881.07	\$ 2,988,001.96
2. Other Governmental Revenues (Interest, Gain/Losses on Inv.)	\$ 483.99	\$ 46,035.38
3. Total Revenues	\$ 430,365.06	\$ 3,034,037.34

B. CONTRACT EXPENDITURES

Expenditure Categories	1 Allowable	2 Unallowable	3 Personal	(4) Total for 6 Months (Sum of Co.)	(5) Year-to-Date
1. Administrative Payroll (Total)					
• a. Executive Director's Salary	9,118.00	-	-	9,118.00	54,708.00
• b. Asst. Director's Salary	6,150.00	-	-	6,150.00	36,900.00
• c. Administrator Salary					
• d. Other Administrative Salaries	28,880.69	-	-	28,880.69	141,508.66
2. Recruitment Payroll					
3. Training Payroll	674.65	-	-	674.65	1,394.65
4. Administrative Contracts					
5. Telephone and Telegraph	6,252.12	-	-	6,252.12	28,225.27
6. Postage and Freight	1,649.31	-	-	1,649.31	6,380.34
7. Office Supplies	1,391.12	-	-	1,391.12	18,765.36
8. Conferences, Meetings	2,548.00	-	-	2,548.00	11,030.88
9. Memberships, Subscriptions/Dues	1,060.00	-	-	1,060.00	6,607.62
10. Printing & Publications	-	-	-	-	1,414.33
11. Bonding, Insurance Premiums	11,056.59	-	-	11,056.59	39,490.37
12. Advertising	1,000.61	-	-	1,000.61	26,495.70
13. Miscellaneous	62,360.34	-	-	62,360.34	364,829.36
Subtotal	132,141.43	-	-	132,141.43	737,750.55

Expenditure Categories	1 Allowable	2 Unallowable	3 Personal	(4) Total for 6 Months (Sum of Co 1	(5) Year-to-Date
14. Building and Equipment Payroll				16,978.30	92,180.09
15. Building Rents and Leases	16,978.30	-	-	-	-
16. Principal and Interest				-	-
17. Property Appraisal Fees				-	12,848.00
18. Property Taxes	-			-	-
19. Equipment and Property Ins.				-	-
20. Utilities	-			-	-
21. Building Maintenance	1,333.64			1,333.64	12,092.74
22. Building & Equipment Contracts				-	-
23. Building & Equipment Supplies	4,366.98			4,366.98	32,626.72
24. Equipment Leases	1,923.63			1,923.63	2,906.41
25. Depreciation Expenses				-	-
26. Non-Depreciable Equipment	-			-	4,757.11
27. Building & Equipment Misc.				-	-
28. Vehicle Leases				-	-
29. Vehicle Depreciation				-	-
30. Vehicle Operating Costs	3,892.23			3,892.23	18,691.04
Subtotal	28,494.78	-	-	28,494.78	186,102.11

31. Total Paid to CFH	220,546.35	-	-	220,546.35	1,355,087.26
32. Other Child Related Costs	2,153.17	-	-	2,153.17	38,170.13
33. Social Worker Payroll	157,580.57	-	-	157,580.57	678,202.74
34. Social Worker Contracts	-	-	-	-	-
Subtotal	380,280.09	-	-	380,280.09	2,081,460.13

35. Total Expenditures	540,916.30	3,005,312.79
36. Excess Revenues / Expenditures in Excess of Revenues	(111,035.23)	(17,310.83)
37. Less: Revenues from Other Governmental Sources	483.99	46,035.38
(Section A, Line 2, Column 4)		
38. Unexpended AFDC-FC-FFA Funds/Expenditures in Excess	(110,551.24)	28,724.55
of AFDC-FC FFA Revenues		

C. Briefly describe services rendered during the reporting period as required in the Agency's Program Statement

A	Our Program provide the special services needed to nurture children to their fullest mental, emotional and spiritual development
B	RPN's Management and Social Workers worked with all Foster Parents access resources, coordinate services and create an individualized treatment plan for each child.
C	RPN assists and support all Foster Parents in providing foster children's emotional and financial care towards the goal of healthy development of a child.

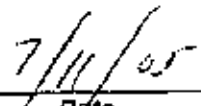
D. Please Indicate any difficulties encountered rendering services and/or complying with the Program Statement. Please indicate any such differences that could jeopardize the timeliness of placement or care provided to a child.

- None -

I hereby certify to the best of my knowledge, under penalty of perjury, that the above is true and correct, that all amounts are traceable to Agency accounting records, and that all AFDC-FC monies received for the purposes of this program were spent in accordance with the agreement and all applicable Federal, State and County laws and regulations. Falsification of any amount disclosed herein shall constitute a false claim pursuant to the California Government Code, Section 12650 et seq.



Executive Director



Date

Accounting Cycle: = Calendar Year

Begins: January 2005 Ends: December 2005

Accounting Basis: = Accrual

MISCELLANEOUS ACCTS.

	MONTHLY	CUMULATIVE
Executive Pension	2,500.00	2,500.00
Payroll Taxes	11,531.32	82,982.36
Health Insurance	18,940.82	95,808.30
Workers Comp	4,200.00	32,690.48
Employee Pension	3,627.35	29,202.71
Accounting & Prof.	7,165.00	20,966.75
Legal Fees	14,395.05	98,808.03
Administrative Expenses		116.60
Bank Fees		999.96
Continuing Ed		453.99
Penalties		300.00
TOTAL	<u>62,360.34</u>	<u>364,829.36</u>

OK

REFUGIO PARA NINOS INCOME STATEMENT

JUNE 2005					
ACCT. #	DESCRIPTION	LA	SAN B.	ORANGE	TOTAL
4001	Foster Care Income	425,820.07	8,863.00	69,431.00	504,114.07
4002	Clothing Allowance	4,081.00			4,081.00
4103	Interest Income	462.93			462.93
4210	Misc. Income	21.08			21.08
	Total Revenue	430,365.06	8,863.00	69,431.00	508,659.06
5102	Administrative Salary	22,868.00			22,868.00
5102 2	Executive Pension	2,500.00			2,500.00
5105	Social Worker Salary	157,580.57	(38,281.10)	16,851.88	136,141.15
5106	Clerical Salary	21,280.69	4,248.64	3,449.88	28,979.21
5107	Training Expense	674.85			674.85
5200	Payroll Tax Expense	11,531.32	1,817.54	1,669.99	15,018.85
5301	Health Insurance	18,940.62	(402.78)	(560.72)	17,977.14
5302	Worker's Comp.	4,200.00			4,200.00
5400	Employee Pension	3,627.35			3,627.35
6001	Foster Parents Expense	220,546.35	3,906.00	22,861.00	254,313.35
6004	Other Program Expense	2,153.17			2,153.17
7010	Accounting & Prof.	7,165.00			7,165.00
7020	Advertising	1,000.61			1,000.61
7030	Auto Expense	774.98			774.98
7050	Conference, Conventions	2,548.00			2,548.00
7060	Dues & Subscriptions	1,060.00			1,060.00
7100	Equipment Rentals	1,923.63			1,923.63
7200	Insurance General	11,056.59			11,056.59
7400	Legal Fees	14,396.05			14,396.05
7430	Office Expense	1,839.48	816.82	33.28	2,489.28
7431	Office Supplies	1,216.62			1,216.62
7437	Office Supplies - Others	174.50			174.50
7440	Postage & Delivery	1,649.31			1,649.31
7460	Rent	16,978.30	3,325.00	3,907.80	24,211.10
7500	Repair & Maintenance	355.64			355.64
7501	Building Repairs	978.00			978.00
7502	Computer Repairs	2,437.50	112.50		2,550.00
7503	Equipment Repairs	90.00			90.00
7600	Telephone Expense	6,252.12		313.81	6,565.93
7701	Travel Expense	3,117.25	947.13	122.23	4,186.61
7800	Taxes & Licenses				
7810	Utilities		552.82		552.82
	Total Expenses	540,916.30	(23,167.71)	55,648.95	573,397.54
	Net Income	(110,551.24)	32,030.71	13,782.05	(64,738.48)

OK

REFUGIO PARA NINOS INCOME STATEMENT

ACCT. #	DESCRIPTION	6 MONTHS CUMULATIVE			
		LA	SAN B.	ORANGE	TOTAL
4001	Foster Care Income	2,953,844.07	45,005.00	338,485.00	3,337,434.07
4002	Clothing Allowance	34,057.89			34,057.89
4103	Interest Income	4,178.77			4,178.77
4201	Unrealized Gain / Loss	36,480.70			36,480.70
4210	Misc. Income	5,375.91			5,375.91
	Total Revenue	3,034,037.34	45,005.00	338,485.00	3,417,527.34
5102	Administrative Salary	34,684.69			34,684.69
5102.2	Executive Pension	2,500.00			2,500.00
5105	Social Worker Salary	678,202.74	72,416.31	88,893.12	839,512.17
5106	Clerical Salary	197,431.97	11,595.71	16,403.10	225,430.78
5107	Training Expense	1,394.65			1,394.65
5108	Therapy Salary - LA	1,000.00			1,000.00
5200	Payroll Tax Expense	82,982.36	13,925.60	10,809.16	107,717.12
5301	Health Insurance	95,808.30	7,386.46	3,456.83	106,651.59
5302	Worker's Comp	32,690.46			32,690.46
5400	Employee Pension	29,202.71			29,202.71
6001	Foster Parents Expense	1,365,087.26	18,164.00	147,563.00	1,530,814.26
6004	Other Program Expense	38,170.13			38,170.13
7010	Accounting & Prof.	20,966.75			20,966.75
7015	Administration Expense	116.80			116.80
7020	Advertising	26,495.70			26,495.70
7030	Auto Expense	5,681.13			5,681.13
7040	Bank Fees	999.98			999.98
7050	Conference, Conventions	11,030.89			11,030.89
7065	Continuing Education	453.99			453.99
7080	Dues & Subscriptions	6,607.62			6,607.62
7100	Equipment Rentals	12,906.41	541.22	541.22	13,988.85
7123	Expendable Equipment	4,757.11			4,757.11
7200	Insurance General	32,268.26			32,268.26
7202	Insurance - F.P.	7,222.11			7,222.11
7400	Legal Fees	98,808.03			98,808.03
7430	Office Expense	18,655.20	3,234.92	321.10	20,211.22
7431	Office Supplies	14,488.66	864.11	291.71	15,654.88
7437	Office Supplies - Others	4,266.50			4,266.50
7439	Penalties	300.00			300.00
7440	Postage & Delivery	6,380.34	684.62		7,064.96
7450	Printing & Reproduction	1,414.33			1,414.33
7460	Rent	92,180.09	20,355.38	23,837.58	136,373.05
7500	Repair & Maintenance	9,271.74			9,271.74
7501	Building Repairs	2,821.00			2,821.00
7502	Computer Repairs	12,672.12	504.68		13,176.80
7503	Equipment Repairs	3,299.40			3,299.40
7600	Telephone Expense	28,226.27	806.68	2,400.83	31,432.75
7701	Travel Expense	13,009.91	5,625.61	2,239.10	20,874.62
7800	Taxes & Licenses	12,848.00			12,848.00
7810	Utilities		3,182.72		3,182.72
	Total Expenses	3,605,312.79	159,301.02	286,756.72	3,461,370.53
	Net Income	28,724.55	(114,296.02)	41,728.28	(43,843.19)

Board Members 2005

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ATTACHMENT VI

Auditor Controller Handbook

June 28, 2005

5:00 p.m. to 7:00 p.m.

Trainer

Joe Harrington

Harrington & Group

Name _____

Title

Bayle Thomas

Social Work Supervisor

Aguiar

Good Member

Melissa Bender

Auction Contract

Robert Quinn

Arthur Wall

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On 10/10/10 E. B. ...

Bond maker

Lawrence D. C.

552

Michael Gorman

Ford Member

Johnnie (12)

Subsidiary

سرانجامه و سایر چیزهای

تاریخ و تفسیر

Yam Yam Yam

Serial Number

Internal Control Systems

July 12, 2005

5:00 p.m. to 7:00 p.m.

Trainer

Carlos Davis

Harrington & Group

Name	Title
Juanito E. Luna	Board Member
ROSALES NAVARRO	RPN
Kim Torgny	RPN
WILL STANFIELD	Board Member
Al Fong	LA COUNTY/DEPT. OF A-C
Heather Johnson	Board Member
James K. K.	H K K
WILL STANFIELD	Board Member
Carlos T. T.	Board Member
Ed Aguirre	Board Member
Michael Ryan	Board Member
Scott Thomas	Board Member
Vera Van Veen	Board Member
Teresa F. F.	Board Member
Michael T. T.	Board Member
WILL STANFIELD	Board Member

ATTACHMENT VII

REFUGIO PARA NINOS

Foster Family Agency

June 14, 2005

MINUTES OF A MEETING OF THE BOARD OF DIRECTOR(S) Refugio Para Ninos, Foster Family Agency (the "Corporation") held at 100 N. Citrus Street, Suite 205 on the 14th day of June, 2005.

BOARD MEMBERS

PRESENT: Vern Van Voorst, Edward O. Aguirre, Judith E. Bean, Michael Gering, Heather Johnson, Mark W. Santarsiero.

ABSENT: James Henning

RPN STAFF PRESENT: Acting CEO: Thomas Fernandez; HRD: Teresa Reta; Controller: Roland Navarro; Clinical Director: Claire Greene.

GUESTS: Taylika M. Dennis, CPA, Mike McWaters, Senior Accountant, Los Angeles County

Chairperson Vern Van Voorst called the meeting to order at 7:00 pm.

Board members and RPN staff introduced themselves.

Motion: Minutes from the board meeting held on May 31, 2005 were reviewed by board members. Ed Aguirre made the first motion to approve the minutes. Heather Johnson made the second motion. All were in favor and the motion passed.

Financial Review: Roland Navarro reviewed the losses, expenses and revenue on the Fiscal Year End Income Statements and the balance sheet, noting that salaries/payroll are the biggest expenses. There has been an \$84,000 gain from last year and no losses so far. Roland predicts that the company will break even this year. Taylika M. Dennis made several recommendations to the board regarding audit findings from 12/31/04.

- 1) Third quarter payroll has not been located. Taylika is to follow up regarding any penalties.
- 2) To set up a reserve
- 3) To begin a liability report as of 12/31/04 for monies due back to the

County.

- 4) To set up paychecks as direct deposit to better track quarterly endings, vacation accrual rate, etc.
- 5) Opening a new checking account since checks from the old account are out of sequence and unaccounted for. The account should have either a 1 or 2 signature option.
- 6) Discussed implementing a more strict loan policy for employees or foster parents. Roland is to send out a financial responsibility letter.
- 7) To begin discussions regarding accommodating staff.
- 8) The engagement letter is to be signed by the board chair of the executive director.

Motion: Tomas reviewed the foster rate payment increase proposal of 5% in an effort to keep current families at the agency. If the proposal is approved, Roland projected an increase in expenses by \$7,000 - 10,000 per month. Expenses would have to be decreased elsewhere in order to make this proposal possible. Edward moved to accept the increase foster rate proposal, retroactive to 5-1-05 which is conditional to families at the agency through July. Michael made the second motion. All present members accepted the motion. All were in favor and the motion passed.

** his is not written correctly. He reported as reported Tomas reported that it was not into it over. e will take some extra time it is written correctly.*

Ongoing Audits: Tomas discussed the audits done by the County. He presented a report on an incident where a gun with bullets was found in the home. An investigation binder will be created where incident reports and investigations will be kept and brought to every board meeting.

Foster Family Issues: There were no foster family issues to discuss at this time.

Personnel Issues: Tomas discussed being overstaffed. There was an increase in clerical staff by 2 1/2 due to complaints from foster parents regarding the agency's poor phone service. There may possibly be a new Administrative Assistant position added as well. Tomas will make a recommendation for staffing and Roland will present financial implications.

Corporate and Organization issues: Ed requested that board membership be increased from 5 to 7 and to have bylaws amended.

Strategic Planning items: Tomas discussed the possibility of branching out towards adoption and family preservation. The board discussed ways to solicit new foster

families. Teresa stated that orientation meetings would be held on the first and third Tuesdays of the month.

Communication issues: Tomas discussed complaints received from foster parents about the telephone service and adding another receptionist.

County Issues: Mike McWaters, Senior Accountant for Los Angeles County discussed the outcome of the monthly monitoring of the agency and that no problems have been noted. The board was commended for the changes made.

Motion: The board has still not received a formal resignation from Jim Henning, however Ed moved that we accept his verbal resignation and Mark made the second motion. All were in favor and the motion passed.

Michael discussed a lawsuit from a former employee who was terminated in May 2004. The former employee filed a wrongful termination suit against RPN. Teresa discussed another lawsuit and is to follow up with carrier to have them contact Mark regarding the status. Mark is to oversee and follow up on the status of the lawsuits. All members are to get a copy of the D&O.

The board discussed adding a new member to the board. Teresa is to forward a list of all applicants to the board members for them to review.


Claire distributed copies of a support group proposal drafted by the interns at RPN to the board members for their review.

Ed advised the board of basketball clinics going on at two schools in Alhambra that are open to interested clients. The board is to inform staff of basketball clinics and Ed will register clients for free.


Next: BOD's meeting is scheduled for Tuesday, June 28th, 2005 at 7:00 pm.

Meeting officially adjourned at 8:47 pm.

Reviewed and respectfully submitted by:


Judith E. Bean, RPN/BOD's Secretary

Minute Recorder:


Sophia Hernandez

REFUGIO PARA NINOS

Foster Family Agency

June 28, 2005

MINUTES OF A MEETING OF THE BOARD OF DIRECTOR(S)
Refugio Para Ninos, Foster Family Agency (the "Corporation") held at 100
N. Citrus Street, Suite 205 on the 28th day of June, 2005. }

Chairperson Vern Van Voorst called the meeting to order at 7:00 pm.

Motion: Minutes from the board meeting held on June 14th, 2005 were reviewed by board members. Ed made a correction on page two, number eight eliminating "of the Executive Director." Michael Gering made the first motion to accept the minutes as changed. Vern Van Voorst made the second motion. All were in favor and the motion passed.

BOARD MEMBERS

PRESENT: Vern Van Voorst, Edward O. Aguirre, Judith E. Bean, Michael Gering, Heather Johnson

ABSENT: Mark W. Santarsiero

RPN STAFF PRESENT: CEO: Thomas Fernandez; Controller: Roland Navarro; Clinical Director: Claire Greene.

GUESTS: Melissa Bender, Los Angeles County Auditor Controller

Staffing Needs / Staff Reduction: Vern Van Voorst discussed program and budget needs. The number of children has increased from 290 to 340 but RPN is still over-staffed. However if client numbers continue to grow within the program, RPN will not need to let staff go within 3-4 weeks. Tomas distributed a memo drafted by staff expressing concerns with lay-offs. Tomas also noted that three families are willing to return to RPN after recruiting efforts were made in various areas with the incentive pay increase offered.

Reviewed monthly evaluation of RPN compliance with corrective action plan. Audits and licensing were all done well. Discussed the success with the mentoring and tutoring IEP programs and a possible adoption program.

Foster Parent Increase: Tomas discussed how three families decided to return to RPN. Tomas distributed a draft resolution in regards to authorizing a specified person to make decisions regarding the application for adoption program. The Board of Directors asked for additional information on this topic with a presentation reviewing the program purpose and estimated expense. Tomas will put together presentation for next meeting.

Selection of new board members: Vern Van Voorst discussed developing a handbook with training handouts (with fifteen questions to review) in order to familiarize new board members with criteria for Board of Directors and all it entails. Vern Van Voorst is to follow up with Joe Harrington regarding the creation of a folder with FAQ sheet to enable new board members an understanding of the allocation of grant funds. The board discussed ideas and the possibility of implementing a training in-service and handbook for new board members.

The Board reviewed and discussed all BOD candidates cover letters and reviewed resumes. After reviewing applicant resumes, the Board of Directors took a verbal vote for their first, second and third choice of new members. Choices are listed first through fourth as follows:

- 1) Michael Brown
- 2) Robert Jimenez
- 3) Felicia Majewski
- 4) Sharon Falkner

Motion: Ed Aguirre made a motion to approve two candidates, Michael Brown and Robert Jimenez as new board members. Judith Bean made the second motion. All were in favor and the motion passed.

Financial report: Roland discussed the audit adjustments and recommendations. The audit was done by the County was passed and the misplaced documents were found. The option for direct deposit will go into effect beginning next month. All other additional audit reports to be out in August.

Ed Aguirre made a motion to adjourn. Heather made the second motion.
Meeting officially adjourned at 8:05 pm.

Next BOD's meeting is scheduled for Tuesday, July 12th, 2005 at 7:00 pm.

Reviewed and respectfully submitted by:

Judge E. Bean, RPN/BOD's Secretary

Minute Recorder.

Sophia Hernandez